

# New Davies Petroleums Limited

TELEPHONE EM. 6-2886

EXECUTIVE OFFICES: SUITE 714, 62 RICHMOND STREET WEST, TORONTO, ONTARIO

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## PRESS RELEASE

New Davies Petroleums Limited, together with Scottish Canadian Highland Development & Exploration Limited, a Canadian company, have concluded an agreement with Consolidated Gold Fields Limited of London, England, in terms of which Gold Fields will embark on an examination of the lead, zinc deposits at Strontian in Western Scotland.

Gold Fields, which is one of the leading British mining houses, specializes in the operation of large metalliferous mines. Its decision to take an interest in the Strontian deposits is an indication of the hope that a substantial orebody may be found in the area.

These deposits occur in mineralized veins, which besides lead and zinc contain barytes and small quantities of silver. The veins were worked for their lead content only, during the eighteenth and the early part of the nineteenth centuries. Subsequently the mines were worked sporadically, down to 1871, when the last production was recorded.

If Gold Fields decides, in the light of its investigations, that a revival of mining activity in the area would be warranted, it has the right to take up a mining lease. The royalty payable to the Secretary of State for Scotland, as the owner of the mineral rights, under any mining lease taken up by Gold Fields will be four per cent of the net profits from mining operations. The agreement provides for the profits (after deducting the four per cent royalty) firstly to be applied pro rata in paying the Canadian companies the sum of \$250,000.00 and repaying all Gold Fields' exploration and other expenses prior to the attainment of full production. Thereafter there would be payable to the Canadian companies a royalty amounting (at Gold Fields' option) to either 25% of the profits or \$0.75 (Can.) per ton of ore treated. This option would be exercised when the lease is taken up.

